

APRIL 19, 1991

CONCURRED IN.

THIRD READING, AMENDMENTS
CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 HOUSE BILL NO. 914
2 INTRODUCED BY Spice Spruk

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING A LOCAL
5 GOVERNMENT TO EXEMPT FROM PROPERTY TAXES A BUILDING AND LAND
6 SOLD OR DONATED TO A LOCAL ECONOMIC DEVELOPMENT ORGANIZATION
7 FOR LATER SALE OR LEASE TO A PROFIT-ORIENTED,
8 EMPLOYMENT-STIMULATING BUSINESS."

9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 NEW SECTION. **Section 1. Definitions.** Unless the
12 context requires otherwise, the following definitions apply
13 to [sections 1 and 2]:

14 (1) "Building and land" means commercial improvements
15 and land sold or donated to a local economic development
16 organization for subsequent sale or lease to a
17 profit-oriented, employment-stimulating business. The term
18 includes commercial property that has not been used in a
19 business for 6 months immediately preceding the sale or
20 donation of the building and land to the local economic
21 development organization.

22 (2) "Local economic development organization" means a
23 private, nonprofit organization whose primary purposes are
24 to develop the economy of its area and to provide assistance
25 to businesses in that area.

1 NEW SECTION. **Section 2. Building and land tax**
2 **exemption -- procedure -- termination.** (1) A building and
3 land owned by a local economic development organization that
4 the local economic development organization intends to sell
5 or lease to a profit-oriented, employment-stimulating
6 business are eligible for an exemption from property taxes
7 as provided in this section.

8 (2) In order to qualify for the tax exemption described
9 in this section, the governing body of the affected
10 incorporated city or town or, if the building and land are
11 located in an unincorporated area, the consolidated
12 government or county shall approve the tax exemption by
13 resolution, after notice and hearing. Prior to holding the
14 hearing, the governing body shall determine that the local
15 economic development organization:

16 (a) is a private, nonprofit corporation, as provided in
17 Title 35, chapter 2, and is exempt from taxation under
18 section 501(c)(3) or 501(c)(6) of the Internal Revenue Code;

19 (b) is engaged in economic development and business
20 assistance work in the area; and

21 (c) owns or will own the building and land.

22 (3) The tax exemption described in subsection (1)
23 applies to the number of mills levied and assessed in the
24 jurisdictions in which the building and land are located.
25 The exemption applies to levies or assessments required

LC 1794/01

1 under Title 15, chapter 10, 20-9-331, or 20-9-333 and other
2 levies required under state law.

3 (4) When a local economic development organization
4 sells, leases, or otherwise disposes of the exempt property
5 to a purchaser or lessee that is not a local economic
6 development organization or a unit of federal, state, or
7 local government, the tax exemption provided in this section
8 terminates. The termination of the exemption applies January
9 1 of the taxable year immediately following the sale, lease,
10 or other disposition of the property.

11 NEW SECTION. **Section 3.** Codification instruction.
12 [Sections 1 and 2] are intended to be codified as an
13 integral part of Title 15, chapter 24, and the provisions of
14 Title 15, chapter 24, apply to [sections 1 and 2].

-End-

APPROVED BY COMMITTEE
ON TAXATION

HOUSE BILL NO. 914

INTRODUCED BY S. RICE, SVRCEK

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING A LOCAL GOVERNMENT TO EXEMPT FROM PROPERTY TAXES A BUILDING AND LAND SOLD OR DONATED TO A LOCAL ECONOMIC DEVELOPMENT ORGANIZATION FOR LATER SALE OR LEASE TO A PROFIT-ORIENTED, EMPLOYMENT-STIMULATING BUSINESS."

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(2) IF THE DEPARTMENT OF REVENUE MAKES AN INITIAL DETERMINATION THAT THE BUILDING AND LAND QUALIFIES FOR THE PROPERTY TAX EXEMPTION, IT SHALL PUBLISH NOTICE OF AND HOLD A PUBLIC HEARING TO DETERMINE WHETHER THE PROPERTY SHOULD BE

EXEMPT FROM TAXATION.

(3) (A) FOR A TAXPAYER TO RECEIVE THE TAX EXEMPTION DESCRIBED IN SUBSECTION (1), THE GOVERNING BODY OF THE AFFECTED INCORPORATED CITY OR TOWN, COUNTY, OR CONSOLIDATED GOVERNMENT, FOLLOWING THE PUBLIC HEARING PROVIDED FOR IN SUBSECTION (2), SHALL GIVE DUE NOTICE, AS DEFINED IN 76-15-103, AND HOLD A PUBLIC HEARING. THE GOVERNING BODY MAY APPROVE OR DISAPPROVE THE TAX EXEMPTION PROVIDED FOR IN SUBSECTION (1). IF APPROVED, THE GOVERNING BODY MUST DO SO BY A SEPARATE RESOLUTION. THE GOVERNING BODY MAY NOT GRANT APPROVAL FOR THE BUILDING AND LAND UNTIL ALL OF THE APPLICANT'S TAXES HAVE BEEN PAID IN FULL. TAXES PAID UNDER PROTEST DO NOT PRECLUDE APPROVAL.

(B) THE RESOLUTION PROVIDED FOR IN SUBSECTION (3)(A) MUST INCLUDE THE APPLICATION SUBMITTED TO THE DEPARTMENT BY THE TAXPAYER SEEKING THE EXEMPTION.

(C) UPON RECEIPT OF APPROVAL OF THE GOVERNING BODY OF THE AFFECTED TAXING JURISDICTION, THE ASSESSOR SHALL MAKE THE ASSESSMENT CHANGE FOR THE TAX EXEMPTION PROVIDED FOR IN THIS SECTION.

(4) "Local economic development organization" means a private, nonprofit organization whose primary purposes are to develop the economy of its area and to provide assistance to businesses in that area.

NEW SECTION. Section 2. Building and land tax

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 4 or lease to a profit-oriented, employment-stimulating
 5 business are eligible for an exemption from property taxes
 6 as provided in this section.

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 8 in this section, the governing body of the affected
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 5 development organization or a unit of federal, state, or
 6 local government, the tax exemption provided in this section
 7 terminates. The termination of the exemption applies January
 8 1 of the taxable year immediately following the sale, lease,
 9 or other disposition of the property. [UPON TERMINATION OF
 10 THE EXEMPTION, THE PROPERTY MUST BE ASSESSED AS PROVIDED IN
 11 [SECTION 1 OF HOUSE BILL NO. 757].]

12 NEW SECTION. Section 3. Codification instruction.
 13 [Sections 1 and 2] are intended to be codified as an
 14 integral part of Title 15, chapter 24, and the provisions of
 15 Title 15, chapter 24, apply to [sections 1 and 2].

16 NEW SECTION. SECTION 4. COORDINATION INSTRUCTION. IF
 17 HOUSE BILL NO. 757 IS NOT PASSED AND APPROVED, THE BRACKETED
 18 SENTENCE IN [SECTION 2(4) OF THIS ACT] IS VOID.

-End-

HOUSE BILL NO. 914

INTRODUCED BY S. RICE, SVRCEK

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING A LOCAL GOVERNMENT TO EXEMPT FROM PROPERTY TAXES A BUILDING AND LAND SOLD OR DONATED TO A LOCAL ECONOMIC DEVELOPMENT ORGANIZATION FOR LATER SALE OR LEASE TO A PROFIT-ORIENTED, EMPLOYMENT-STIMULATING BUSINESS."

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(2) IF THE DEPARTMENT OF REVENUE MAKES AN INITIAL DETERMINATION THAT THE BUILDING AND LAND QUALIFIES FOR THE PROPERTY TAX EXEMPTION, IT SHALL PUBLISH NOTICE OF AND HOLD A PUBLIC HEARING TO DETERMINE WHETHER THE PROPERTY SHOULD BE

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(C) UPON RECEIPT OF APPROVAL OF THE GOVERNING BODY OF THE AFFECTED TAXING JURISDICTION, THE ASSESSOR SHALL MAKE THE ASSESSMENT CHANGE FOR THE TAX EXEMPTION PROVIDED FOR IN THIS SECTION.

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NEW SECTION. Section 2. Building and land tax



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 24 The exemption applies to levies or assessments required
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 4 to a purchaser or lessee that is not a local economic
 5 development organization or a unit of federal, state, or
 6 local government, the tax exemption provided in this section
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 8 1 of the taxable year immediately following the sale, lease,
 9 or other disposition of the property. [UPON TERMINATION OF
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 11 [SECTION 1 OF HOUSE BILL NO. 757].]

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 18 SENTENCE IN [SECTION 2(4) OF THIS ACT] IS VOID.

-End-

SENATE STANDING COMMITTEE REPORT

Page 1 of 2
April 12, 1991

Page 2 of 2
April 12, 1991

MR. PRESIDENT:

We, your committee on Taxation having had under consideration House Bill No. 914 (third reading copy -- blue), respectfully report that House Bill No. 914 be amended and as so amended be concurred in:

1. Page 1, line 22 through page 2, line 20.
Strike: subsections (2) and (3) in their entirety
Renumber: subsequent subsection

2. Page 3, line 8.
Following: "affected"
Insert: "county, consolidated government,"

3. Page 3, lines 9 through 11.
Following: "town" on line 9
Insert: ", "
Strike: ", if" on line 9 through "county" on line 11
Insert: "school district in which the building and land are located"

4. Page 3, line 12.
Following: "after"
Insert: "due"
Following: "notice"
Insert: ", as defined in 76-15-103,"
Following: "hearing."
Insert: "The governing body may approve or disapprove the tax exemption provided for in subsection (1). The governing body shall approve a tax exemption by a separate resolution. The governing body may not grant approval for the building and land until all of the applicant's taxes have been paid in full. Taxes paid under protest do not preclude approval."

5. Page 3.
Following: line 20
Insert: "(3) Upon receipt of approval of the governing body of the affected taxing jurisdiction, the assessor shall make the assessment change for the tax exemption provided for in this section."
Renumber: subsequent subsections

6. Page 3, line 22.
Following: "applies"
Insert: "only"

7. Page 3, lines 22 through 24.
Strike: "in" on line 22 through "The" on line 24

Insert: "by the governing body approving the exemption over which the governing body has sole discretion. If the governing body of a county, consolidated government, or incorporated city or town approves the exemption, the"

Signed: 
Mike Halligan, Chairman

LB 4/12/91
Amd. Cobrd.

SB 4/12 2:35
Sec. of Senate

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SENATE

HB 914

781340SC.SLB

HOUSE BILL NO. 914

INTRODUCED BY S. RICE, SVRCEK

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(2) IF THE DEPARTMENT OF REVENUE MAKES AN INITIAL DETERMINATION THAT THE BUILDING AND LAND QUALIFIES FOR THE PROPERTY TAX EXEMPTION, IT SHALL PUBLISH NOTICE OF AND HOLD A PUBLIC HEARING TO DETERMINE WHETHER THE PROPERTY SHOULD BE

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(B) THE RESOLUTION PROVIDED FOR IN SUBSECTION (3)(A) MUST INCLUDE THE APPLICATION SUBMITTED TO THE DEPARTMENT BY THE TAXPAYER SEEKING THE EXEMPTION.

(C) UPON RECEIPT OF APPROVAL OF THE GOVERNING BODY OF THE AFFECTED TAXING JURISDICTION, THE ASSESSOR SHALL MAKE THE ASSESSMENT CHANGE FOR THE TAX EXEMPTION PROVIDED FOR IN THIS SECTION.

(2)(4)(2) "Local economic development organization" means a private, nonprofit organization whose primary purposes are to develop the economy of its area and to provide assistance to businesses in that area.

NEW SECTION. Section 2. Building and land tax



1 exemption -- procedure -- termination. (1) A building and
 2 land owned by a local economic development organization that
 3 the local economic development organization intends to sell
 4 or lease to a profit-oriented, employment-stimulating
 5 business are eligible for an exemption from property taxes
 6 as provided in this section.

7 (2) In order to qualify for the tax exemption described
 8 in this section, the governing body of the affected COUNTY,
 9 CONSOLIDATED GOVERNMENT, incorporated city or town, or--if
 10 the-building-and-land-are-located-in-an-unincorporated-area,
 11 the--consolidated--government--or--county SCHOOL DISTRICT IN
 12 WHICH THE BUILDING AND LAND ARE LOCATED shall approve the
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 15 DISAPPROVE THE TAX EXEMPTION PROVIDED FOR IN SUBSECTION (1).
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 6 THE ASSESSMENT CHANGE FOR THE TAX EXEMPTION PROVIDED FOR IN
 7 THIS SECTION.

8 ~~(3)~~(4) The tax exemption described in subsection (1)
 9 applies ONLY to the number of mills levied and assessed in
 10 ~~the--jurisdictions--in--which--the--building--and--land--are~~
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 12 OVER WHICH THE GOVERNING BODY HAS SOLE DISCRETION. IF THE
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 15 exemption applies to levies or assessments required under
 16 Title 15, chapter 10, 20-9-331, or 20-9-333 and other levies
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18 ~~(4)~~(5) When a local economic development organization
 19 sells, leases, or otherwise disposes of the exempt property
 20 to a purchaser or lessee that is not a local economic
 21 development organization or a unit of federal, state, or
 22 local government, the tax exemption provided in this section
 23 terminates. The termination of the exemption applies January
 24 1 of the taxable year immediately following the sale, lease,
 25 or other disposition of the property. [UPON TERMINATION OF

HB 0914/03

1 THE EXEMPTION, THE PROPERTY MUST BE ASSESSED AS PROVIDED IN
2 [SECTION 1 OF HOUSE BILL NO. 757].]

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4 [Sections 1 and 2] are intended to be codified as an
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